

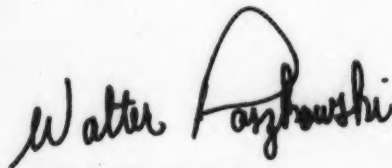
Transportation and Utilities

Business Plan 1998-99 to 2000-01

Accountability Statement

This Business Plan for the three years commencing April 1, 1998 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at January 20, 1998 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Walter Paszkowski
Minister of Transportation and Utilities
January 21, 1998

Our Mission

Alberta Transportation and Utilities contributes to Alberta's prosperity and economic development by ensuring the provision of an effective transportation system; essential utility services to rural areas; and disaster and emergency services.

Our Vision

Alberta Transportation and Utilities (AT&U) supports the Government's theme of strong financial management. We are a smaller organization, focused on ensuring the provision of the best value transportation and utility infrastructure and services. We are doing this by:

- using innovative partnerships to provide services and infrastructure;
- using sound business principles and technologies to assess investment and set priorities;
- providing leadership to produce the greatest return for transportation and utility investments;
- using objective performance measures to manage our own activities as well as those of our partnerships; and
- developing new skills to deliver our new role, ensuring that we have capable and motivated staff.

Introduction

It is anticipated that strong economic activity in 1997 will continue to maintain Alberta's buoyant fiscal position for 1998. Increased economic activity reflected in increased truck and other traffic travelling to and from the United States, capacity pressures in urban centres, and extreme wet weather in northern Alberta during 1997, has resulted in a need to reinvest in Alberta's transportation and utility infrastructure. Recommendations from the September 1997 Growth Summit confirmed this need.

To that end, in early 1998, \$100 million in one-time funding was allocated to Alberta Transportation and Utilities to deal with these needs. Funding was allocated to high priority projects. Funding was also advanced to urban and rural municipalities and rural gas co-operatives to undertake key priority projects and provide increased flexibility in the administration of their annual construction programs.

This business plan identifies how the additional one-time funding was allocated and the impact on future program budgets. The provision of this one-time reinvestment funding does not represent a long-term commitment for additional funding to any of the programs; however, AT&U will continue to monitor the condition of Alberta's transportation and utility infrastructure and identify future needs. Depending on the economic activity in the province and the overall fiscal position of the government, additional adjustments may be made to programs within the term of this business plan.

Our Core Businesses and Programs

Three core businesses contribute to the Alberta Advantage and guide the department in the achievement of its mandate: ensuring public safety; preserving the public's investment in the transportation infrastructure; and supporting Alberta's economic development and prosperity. Eight key program areas support AT&U's mission, vision and core businesses:

- **Road, Driver and Vehicle Safety:** monitoring motor transport compliance with commercial vehicle weight, dimension and mechanical safety requirements; motor vehicle standards and safety; driver education and testing; licence enforcement; and impaired driving programs.
- **Primary Highway System:** managing the design, construction, preservation, operation and maintenance of primary highways and bridges.
- **Dangerous Goods Control:** setting standards and monitoring the safe in-transit storage and shipment of dangerous goods within Alberta.
- **Disaster and Emergency Services:** providing support to ensure municipalities are prepared to deal with emergencies and disasters; and managing provincial response programs to real event disasters.
- **Transportation Partnerships:** providing financial support to municipalities to ensure well-developed and integrated urban highway and truck routes, secondary highways and local roads.
- **Partnerships for Municipal and Rural Utilities:** providing financial support through loan and grant programs for essential utility services (water/wastewater, rural gas and electric).
- **Efficient Multi-Modal Transportation:** influencing national and international policy in rail, air, passenger, ports/marine operations, and border crossing services.
- **Ancillary Programs:** managing the construction, operation and maintenance of rest areas, ferries and vehicle inspection stations, which complement Alberta's highway systems.

Goals and Strategies

For the 1998-2001 Business Plan, we have fine-tuned the previous business plan goals and strategies and added new ones entitled "Improving Access to World Markets" and "Improving Traffic Safety".

Goal #1 - Improving Traffic Safety

Strategies

- **Continue to Implement the Traffic Safety Initiative** - AT&U will continue to work in partnership with stakeholder groups to improve traffic safety province-wide. This initiative focuses on:
 - generating a stronger awareness that all Albertans have a role to play in traffic safety;
 - ensuring that Albertans have good access to traffic safety information;

- improving traffic management, road design, vehicle safety and driver skills; and
 - ensuring that effective enforcement tools are in place.
- **Streamline Legislation** - AT&U will streamline legislation by consolidating the *Highway Traffic Act*, the *Motor Transport Act*, the *Motor Vehicle Administration Act* and the *Off-Highway Vehicle Act* into the proposed *Traffic Safety Act*. In addition, a one-window truck permitting system will be explored.
 - **Monitor the Motor Carrier Industry** - The safety of trucks and buses will continue to be a high priority for AT&U. Safety and dangerous goods inspections of all commercial vehicles will continue with the focus being on truck and bus deficiencies that could lead to collisions and injuries. Inspection audits will continue, with repeat offenders targeted for follow-up.
 - **Provide Incentives to Motor Carriers with Exemplary Performance** - AT&U will continue to support industry initiatives that improve motor carrier efficiency, enhance export competitiveness, and encourage self-regulation.

Performance Measures

Casualty Collisions

This measure is defined as the number of casualty (injury and fatality) collisions per 100,000 licenced drivers (by calendar year). By 1996, there were approximately 1,900,000 licenced drivers in Alberta.

Baseline 1996	Target 1997	Business Plan Targets		
		1998	1999	2000
757	757	752	747	742

Mechanical Safety of Commercial Vehicles

This measure is defined as the percentage of commercial vehicles that are rendered out of service using nationally recognized criteria (Commercial Vehicle Safety Alliance) when inspected by department staff at roadside checks. From 1997 onward, results will be based on random sampling of approximately 650 trucks per year.

	Baseline 1995/96	Results 1996/97	Target 1997/98	Business Plan Targets		
				1998/99	1999/2000	2000/01
Requires minor on-site adjustments	32% composite results	26%	25%	25%	25%	25%
Requires mechanic's attention		6%	6%	5%	5%	5%

Goal #2 - Improving Access to World Markets

Strategies

- **Develop the North-South Trade Corridor** - Continued development of the North-South Trade Corridor, which extends from the B.C. border west of Grande Prairie to the United States border at Coutts, will be a primary focus under this goal. To ensure Alberta's competitiveness in the international marketplace and to enhance tourism, investment in a high efficiency, multi-lane corridor to access U.S. and emerging Mexican markets is essential.

The efficiency and safety of this corridor will be substantially enhanced through the twinning of existing two-lane sections, upgrading of existing four-lane sections, and the construction of key interchanges along the corridor. Improvements will take place in high priority rural sections of the corridor and in urban bottlenecks within Edmonton and Calgary. Projects within urban areas will be undertaken on a priority basis in partnership with cities.

Our objective is to substantially complete both the urban and rural portions of this corridor from the U.S. border to Wembley by 2007. In order to achieve this objective, additional funding of \$25 million will be provided in 1997/98 and \$10 million in 1998/99 to accelerate key corridor projects. AT&U will continue to monitor future funding requirements for this initiative.

- **Implement the Northwest Transportation and Trade Corridor** - Work has commenced between the B.C. and Alberta governments to facilitate improved road, rail, and air transportation links connecting northern Alberta and B.C. with the Port of Prince Rupert.

An interdepartmental working group will examine methods to increase international market access for Alberta and B.C. commodities, specifically grain, forest products, petrochemicals and coal, through more efficient use of B.C. Rail/CN Rail lines, the rail interchange at Prince George and the port facilities at Prince Rupert. The working group will also review the recommendations of "Taking Hold of Canada's Shortest Link to Asia" (February 24, 1997), prepared by the Northwest Transportation Corridor Task Force. Recommendations will be implemented as appropriate.

Performance Measure

North-South Trade Corridor

This measure is defined as the percentage (urban and rural) of the North-South Trade Corridor that is twinned. This consists of 1,099 kilometres of highway, of which 97 kilometres lie within cities.

Baseline 1996/97	Target 1997/98	Business Plan Targets		
		1998/99	1999/2000	2000/01
53.4%	56.5%	59.6%	63.5%	67.9%

Goal #3 - Managing the Primary Highway System

Strategies

- **Protect the Integrity of the Primary Highway Infrastructure** - Effective rehabilitation of Alberta's highways and bridges is important to the Alberta Advantage and to protect the investment of tax dollars. Timely rehabilitation results in substantive cost savings in the long term. Highways generally last 15 to 20 years before repaving is needed due to weather, traffic impact and general wear and tear. We will continue to monitor the condition of the primary highway infrastructure and provide effective rehabilitation where necessary.

In order to be competitive internationally and maintain safety for the travelling public, a good quality primary highway system is a must. To maintain current pavement condition, the overall integrity of the system, and to save dollars over the longer term, an additional \$30 million has been included in the 1998/99 budget for primary highway preservation and rehabilitation. For 1999-2000 and 2000-01, we are proposing that this funding be increased to \$50 million per year to ensure that the condition of the primary highway system is maintained.

- **Maintain the Primary Highway System** - Since 1996, primary highway maintenance has been undertaken by the private sector. AT&U will continue to ensure the primary highway system is effectively maintained by determining work to be undertaken, setting standards and monitoring contractor performance.
- **Monitor Weights and Dimensions of Commercial Vehicles** - Monitoring the weights and dimensions of commercial vehicles travelling on the primary highway system helps to protect the highway infrastructure. Ongoing inspections and the issuance of permits for overweight and over dimension commercial vehicles will continue.
- **Implement the Infrastructure Management System** - The new state-of-the-art Infrastructure Management System (IMS) will assist the department in prioritizing and ranking the development, design, construction, rehabilitation and maintenance needs of the primary highway system on a province-wide basis, in order to optimize the allocation of funds to ensure long-term value. For 1998-2001, AT&U will complete the design and implementation of this system province wide.

Performance Measure

Primary Highway Pavement Condition

This measure is defined as the percentage of the paved portions of the primary highway system that provides desirable standards (i.e., pavement smoothness and riding comfort) for the travelling public.

Baseline 1996/97	Target 1997/98	Business Plan Targets		
		1998/99	1999/2000	2000/01
86%	86%	88%	89%	90%

Goal #4 - Reinvesting in Strategic Primary Highway Improvements

Strategy

- **Improve the Primary Highway System** - Strategic improvements to other primary highways will continue in order to accommodate the current and anticipated increase in the movement of people and goods resulting from enhanced tourism and trade. In 1998/99, additional funding is included to accommodate high-priority rural primary highway projects.

Performance Measure

Level of Service on Rural Primary Highways

This measure is defined as the percentage of rural primary highways providing a level of service B or better (on a scale of A to F). Level of service is an internationally used measure of the ability of traffic to move freely. There are approximately 13,800 kilometres of primary highways in the province.

Baseline 1996/97	Target 1997/98	Business Plan Targets		
		1998/99	1999/2000	2000/01
99%	99%	99%	99%	99%

Goal #5 - Supporting Municipal Transportation Partnerships

Strategies

- **Funding Urban Transportation Infrastructure** - Our commitment to provide funding under the Alberta Cities Transportation Partnership will continue. Cities have identified a number of urgent transportation infrastructure needs. To assist in alleviating these needs, additional one-time, basic capital funding of \$15 million will be provided to the cities in 1997/98, representing an increase in the per-capita allocation of \$7.50. This additional funding will help to preserve the integrity of primary highways and truck routes through cities, which are key components of the overall provincial highway system.

To enable cities to commence work on their most urgent priorities as early as possible, a portion of the 1998/99 per-capita funding will be advanced. By advancing \$10 million ahead of schedule, the province will provide cities increased flexibility enabling an early start to the 1998 construction season.

- **Continue the Streets Improvement Program** - The current Streets Improvement Program, which provides cost-shared funding for transportation projects in towns, villages and summer villages, was renewed in 1996 and will continue for 1998/99. Additional funding of \$5 million will be provided in 1997/98 to alleviate some of the backlog of applications, increasing the 1997/98 program commitment to \$15 million.

- **Provide Funding for Secondary Highways** - AT&U partners with rural municipalities to ensure that the secondary highway system continues to form an integral part of Alberta's transportation system. In this regard, we will continue to provide funding under the Secondary Highways Partnership Program for needed construction and upgrading of the system.
- **Continue to Provide Funding for Local Roads** - An effective and safe local road system is essential for municipalities to accommodate growth and attract industry. Rural Transportation Grants are provided annually to all counties, municipal districts and Metis Settlements for local road upgrading. In 1997, unusually wet weather, particularly in northern Alberta, caused extensive damage to rural roads under municipal jurisdiction. To assist in needed upgrading across the province, special one-time grants totalling \$15 million will be available in 1997/98 for rural municipalities. In 1997/98, AT&U will advance \$10 million of the 1998/99 allocation for the formula-based rural transportation grants to provide the municipalities the opportunity to advance their 1998 construction programs.
- **Continue the Resource Roads Improvement Program** - The Resource Roads Improvement Program, announced in 1996 at \$16 million for 1996/97 and \$21 million for 1997/98 and 1998/99, will continue to provide funding assistance to rural municipalities to upgrade existing local roads and bridges to accommodate resource-based truck traffic, specifically non-local or through trips. In order to advance priority projects, an additional \$6 million will be provided in 1997/98, thereby reducing the 1998/99 program needs.
- **Provide Funding for Infrastructure to Accommodate New Industry** - In order to support new industry, Alberta must be prepared to develop infrastructure networks which efficiently connect new producers to suppliers and markets. In this regard, a new program was established in 1997/98 to assist with the provision of rural roadways to accommodate new resource, industrial and value-added developments. In the 1998/99 budget year, \$10 million has been included for this program.
- **Provide Transportation Funding for Metis Settlements** - The transportation and utility infrastructure requirements of Metis Settlements need to be addressed. Additional funding of \$4 million will be provided in 1997/98 to advance the construction of key access roads, thereby reducing the program needs for 1998/99.

Performance Measure

Secondary Highway Pavement Condition

This measure is defined as the percentage of the paved portions of the paved portions of the secondary highway system that provides desirable ride quality standards (i.e., pavement smoothness and riding comfort) for the travelling public. Some 14,925 kilometres form the secondary highway system, of which approximately 9,835 kilometres are surfaced.

Baseline 1996/97	Target 1997/98	Business Plan Targets		
		1998/99	1999/2000	2000/01
92%	94%	95%	96%	97%

Goal #6 - Supporting Safe and Cost-Effective Utility Services

Strategies

- **Funding Assistance for Municipal and Rural Utilities** - Through the Alberta Municipal Water/Wastewater Partnership and the Rural Gas and Rural Electrification Programs, AT&U will continue to assist Albertans residing in rural areas and small communities to obtain basic utility services. In 1997/98, the administration of the rural electrification loans was outsourced. During the term of this business plan, the gas brokerage service, Gas Alberta, will be privatized.

In 1997/98, \$5 million will be advanced for key municipal water and wastewater projects. This will enable the municipalities with approved projects to proceed quickly and reduce the 1998/99 program budget under the Alberta Municipal Water/Wastewater Program.

- **Enhance the Rural Gas Program** - The current Rural Gas Program, which has been in place since the early 1970s, provides cost-shared funding for the installation of natural gas systems in rural Alberta. Increased access to natural gas is required to support the expansion of farms to more value-added agricultural activities. In this regard, additional funding of \$2 million will be provided in 1997/98 to advance priority projects and reduce the waiting list of applications. Future program needs will be monitored and additional funds may be made available pending budget availability.

Performance Measure

Effectiveness of Water and Wastewater Treatment Facilities

This measure is defined as the percentage of communities under 45,000 population with water treatment and wastewater treatment facilities that have an effective operating approval. At any given time, municipal water and wastewater facilities will require upgrading as a result of normal equipment deterioration, or capacity shortfalls due to population or economic growth.

	Baseline 1996/97	Target 1997/98	Business Plan Targets		
			1998/99	1999/2000	2000/01
Water Treatment Facilities	94.0%	94.5%	95.0%	95.5%	96.0%
Wastewater Treatment Facilities	97.0%	97.5%	97.5%	97.5%	97.5%

Goal #7 - Supporting Responses to Major Disasters and Emergencies

Strategies

- **Prepare for Emergencies** - AT&U will continue to work with our municipal partners to develop and test their emergency plans and enhance their preparedness for disasters and emergencies.
- **Respond to Disasters** - We will also ensure the readiness and reliability of the Government Emergency Operations Centre, and ensure staff respond quickly and effectively to assist Albertans in real-event disasters and emergencies.
- **Continue Negotiations with the Federal Government** - AT&U will continue discussions with the federal government to revise the criteria for the federal Disaster Financial Assistance Arrangements to ensure consistent application across Canada.

Performance Measure

Effectiveness of Emergency and Disaster Response

This measure is defined as the percentage of claims where a damage evaluator arrives on site within 30 days of a claim being received.

Baseline 1996/97	Target 1997/98	Business Plan Targets		
		1998/99	1999/2000	2000/01
100%	100%	100%	100%	100%

Transportation and Utilities

Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1996-97 Actual	Comparable 1997-98 Budget	Comparable 1997-98 Forecast	1998-99 Estimates	1999-2000 Target	2000-01 Target
REVENUE						
Transfers from Government of Canada	18,814	1,155	20,525	3,780	1,341	992
Investment Income	1,253	1,375	5,375	-	-	-
Premiums, Fees and Licences	14,636	12,167	13,775	13,105	12,125	10,140
Other Revenue	19,646	10,178	14,385	5,901	4,781	3,871
Consolidation Adjustments	(9,494)	-	-	-	-	-
Consolidated Revenue	44,855	24,875	54,060	22,766	18,247	15,003
EXPENSE						
Program						
North - South Trade Corridor	28,760	11,440	36,729	1,141	17,498	18,414
Traffic Safety Services (incl. Disaster Services)	43,185	21,390	52,616	22,430	18,503	18,816
Primary Highway Maintenance and Preservation	153,848	142,731	140,365	176,488	237,104	239,288
Primary Highway Construction	14,657	7,881	10,292	7,934	7,871	7,876
Grants to Rural Municipalities	29,672	31,754	64,652	23,026	34,780	36,959
Alberta Cities Transportation Partnership	51,204	52,951	77,517	42,323	39,018	42,285
Streets Improvement Program	4,553	10,895	16,016	10,964	-	-
Secondary Highways	93,286	99,686	90,829	100,516	87,967	88,887
Municipal and Rural Utilities	35,810	26,148	36,784	21,106	26,356	26,360
Resource Road Improvement Program	9,010	22,880	28,629	16,447	3,260	3,261
Other Provincial Roads (incl. Infrastructure for New Industry)	6,295	4,785	9,690	9,743	5,859	5,860
Grants to Transitioning Municipalities	20,085	17,870	20,431	13,267	12,499	6,413
Transportation Services	1,341	367	900	390	407	426
National Infrastructure Program	34,632	200	423	-	-	-
Gas Alberta	672	613	603	460	-	-
Amortization	96,217	99,033	96,329	99,993	101,821	100,973
Valuation Adjustments	(351)	395	395	-	-	-
Transportation Revolving Fund discontinued operations	5,967	-	-	-	-	-
Consolidation Adjustments	(9,494)	-	-	-	-	-
Consolidated Expense	619,349	551,019	683,600	546,228	593,003	593,818
Gain (Loss) on Disposal of Capital Assets	(2,615)	(7,663)	(6,763)	-	-	-
NET OPERATING RESULT	(577,109)	(534,007)	(636,303)	(523,462)	(574,756)	(578,815)